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NEW U.S. EMBASSY GOING UP IN SOVIET REPORTED BUGGED

CONGRESS IS CONCERNED

Some Call for Scrapping the \$190 Million Project Over Issue of Security

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Special to The New York Times

WASHINGTON, April 4 — Some members of Congress and intelligence officials say they believe that a new United States Embassy building under construction in Moscow is contaminated with Soviet eavesdropping devices and that the entire \$190 million project should be scrapped.

According to Government officials, the security problems in the new embassy building stem from a decision in 1972 to have much of the building assembled from prefabricated modules manufactured at a Soviet site not open to American inspection. Listening devices were placed in the steel beams, the officials said.

Debate on Finding Devices

Embassy security has become a big issue in connection with the arrest of three Marine guards, two of them charged with spying, and has touched off a debate among American intelligence analysts on whether experts can find all the devices reportedly planted in the new building, under construction since the early 1970's.

Congressional and Administration critics of the State Department's security practices view the construction project as a symbol of the attitudes that culminated in the recent security breaches in the present building.

While officials are weighing whether to move the embassy into the new building, a dispute has erupted over Secretary of State George P. Shultz's scheduled trip to Moscow next week, when he will have to use a house trailer outside the embassy for sensitive conversations.

Some officials wanted the trip to be deferred, but Mr. Shultz prevailed, arguing that the timing was opportune

for gains in arms control, Administration officials said.

On the new building, a report by two staff members from the Senate Foreign Relations Committee disclosed that the American architectural company designing the embassy had hired a Soviet engineer who returned home after completing his work. The Senate staff members tried to find him for interviews, the report said, but the State Department had been told by Soviet officials that he had died of a heart attack.

Senator Patrick J. Leahy, a Vermont Democrat and former vice chairman of the Intelligence Committee, contended that the security of the new embassy building had been compromised. "The only honest approach," he said, "is to tear it down and start all over again. There is no way possible to make that embassy secure."

That view is not universally held. Administration and Congressional officials said that although there were still dissenters, the consensus before the case of the Marine guards was that the new building could be salvaged. Those officials contend that it would be more damaging for the embassy to remain in its present quarters.

Last year, Secretary Shultz asked James R. Schlesinger, a former Director of Central Intelligence, to study the security of the new building, which was to be occupied in 1989. The study, which is expected to consider Soviet means of penetration and American countermeasures, is likely to touch off further adverse reaction in Congress.

Representative Daniel A. Mica, a Florida Democrat who heads the House Foreign Affairs subcommittee that monitors embassy security, said: "What you have is a brand new facility that you cannot move into and an embassy you cannot whisper in. It is really a nasty situation."

He said technical experts who believed the security flaws in the new building could be remedied estimated the cost at \$20 million to \$40 million in addition to the \$190 million already spent on the project. The new building was originally scheduled to be completed in 1983 at a cost of \$90 million.

Because of the delay and the security problems, Representative Mica said, the United States will have to spend tens of millions of dollars to replace much of the equipment in the existing building.

The dispute over the new building centers on whether it is reasonable to assume that all the listening devices can be disconnected or neutralized.

"The problem is, we think we have found a great deal of what they put in and therefore we think we can disable them," Representative Mica said. "But

some of the specialists think that we have found only what they want us to find and maybe that was only three-fourths or one-half of what there was."

Mr. Mica is scheduled to leave this weekend for Moscow to inspect both the building under construction and the existing embassy building.

Several experts said the State Department could deal with the problem by installing special secure rooms insulated with copper and lead. An intelligence official said buildings recently completed at the National Security Agency, which seeks to penetrate foreign communications and to protect American ones, are clad with copper to frustrate attempts by outsiders to pick

up emanations from computer and communications equipment.

Officials credited the Soviet Union with remarkable expertise in designing listening devices. This expertise helps explain why officials are pessimistic about the damage caused when the two Marine guards purportedly allowed Soviet agents to enter the embassy.

Intelligence officials said the agents might have left behind equipment that would allow them to re-enter secure areas at will and leave listening devices that could pick up signals from typewriters or coding machines.

Such signals, which are emitted each time a key is struck or from the electronic field around cables, can be used to intercept communications. The Moscow embassy has secure rooms specially sealed to prevent emanations from escaping, but intelligence officials say that if a listening device were placed inside, the protection provided by the walls would be defeated.

The National Security Agency became suspicious in the late 1970's, when other Western embassies in Moscow uncovered typewriter bugs. The agency dispatched a team to check for bugs, but officials believe the Russians were alerted when the trip was mentioned in embassy cables, and the technicians found nothing.

Bugs Were Found in 1984

In 1984, technicians were dispatched again, this time without notification to the State Department, and they found devices planted in several embassy typewriters, Government officials said. One was reportedly used by the secretary of the deputy chief of mission, the second-ranking embassy diplomat.

The signals were sent out through the power cord at a frequency calibrated to television band width. That was done because Soviet agents knew that American detection equipment was then not able to pick up emanations in that range, Government officials said.

The 15-year history of construction.

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at the new embassy building has involved a series of security lapses and miscalculations, some officials say. One former official recalled that the Nixon Administration agreed in 1972, over State Department objections, to allow the prefabrication of construction modules. In contrast, the Soviet Union insisted that its embassy in Washington be built with components made on site and under its observation.

Soviet Embassy on a High Site

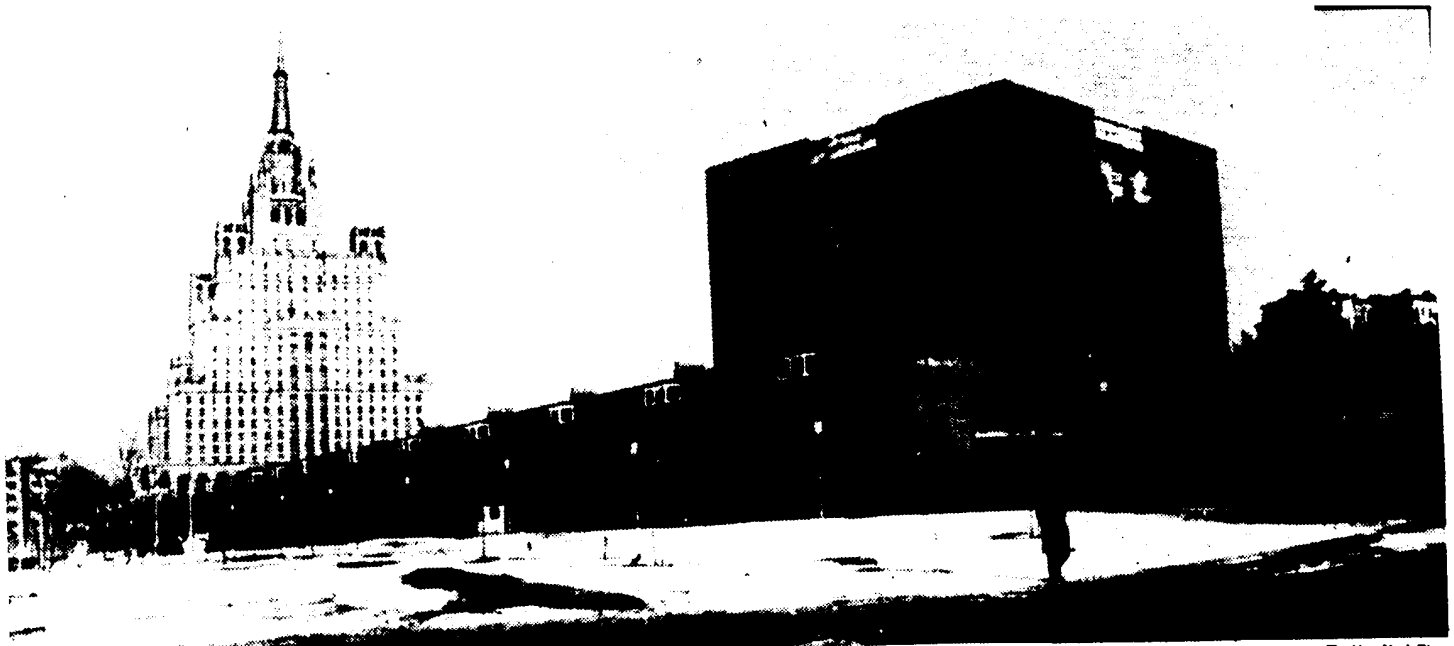
According to the Senate staff report, the Soviet Union's new building here was built high on a hill suited for electronic interception.

"Common sense would tell the average American citizen, without benefit of security or diplomatic training, that it would be foolish to allow a United States Embassy to be designed and constructed by Soviets," the Senate report said.

In August 1985, the Soviet contractor was removed from the building, which had also been plagued by shoddy construction unrelated to security issues. Marine guards began to watch the construction site.

Lawrence S. Eagleburger, a former high State Department official, said: "I don't want to debate it. We in effect got snookered, and that is the responsibility of every Administration from Nixon on up."

He conceded that there were severe problems of trying to construct an embassy in Moscow and that it would have been difficult to use American workers. He said the Soviet Union should not be allowed to occupy its new embassy building here until the problems in Moscow were solved.



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The new United States Embassy compound under construction in Moscow. The buildings in foreground are a housing area.